February 10, 2009

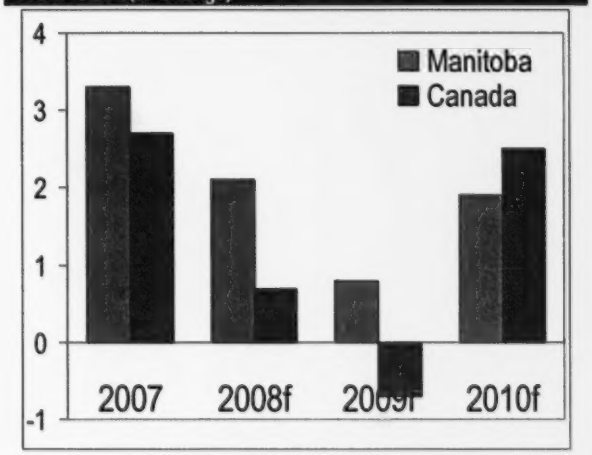
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- In 2008, the survey of major forecasters projects real growth in the province to be 2.1%, above the national average of 0.7%. The Manitoba Bureau of Statistics projects that real GDP grew 2.5% in 2008.
- In 2009, the Manitoba economy is expected to grow by 0.8%, better than the decline of 0.7% projected for Canada.
- In 2010, the Manitoba economy is expected to grow by 1.9%, below the 2.5% growth in Canada.

Real GDP (% Change)



Consumer Price Index

- In 2008, the Manitoba CPI increased 2.3%, the same as the national increase. Energy, shelter, food, and transportation are the major contributors to the increase.
- Through the first ten months of 2008 the energy component had risen 13.5%; however, in the last two months there were declines which resulted in lowering the 2008 energy component growth to 8.8%.

- Manitoba's GDP growth is forecast to be 2.1% in 2008 substantially better than the 0.7% forecast for Canada.
- In 2009, Manitoba's real GDP growth is forecast to increase 0.8% better than the 0.7% decline in Canada
- Manitoba real GDP growth exceeded Canadian growth in 2006 and 2007.
- Manitoba merchandise exports were up 6.4% in the first eleven months of 2008. Exports to the U.S. were up 5.2%.
- In 2008, there were 5,537 Manitoba housing starts, the second highest level since 1987.
- Average weekly earnings have increased 2.8% in the first eleven months of 2008.

Labour Market

Employment

- Manitoba's employment declined by 1,900 in January 2009 compared to a national decrease of 129,000. At 4.6%, Manitoba's unemployment rate was third lowest among provinces and below Canada's 7.2%.
- In 2008, employment increased 10,000 relative to 2007. Full-time employment was up 2.1% while part-time employment increased 0.1%.

Employment (% Change)

	2008	2009ytd
Manitoba		
Total Employment	1.7	0.8
Full-Time	2.1	0.4
Part-Time	0.1	2.5
Canada		
Total Employment	1.5	-0.5

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In January 2009, Manitoba's unemployment rate was 4.6%, third lowest behind Saskatchewan and Alberta. The youth unemployment rate was 7.7%, lowest in Canada.
- In 2008, Manitoba's unemployment rate was 4.2%, third lowest among provinces and the lowest Manitoba rate in over 30 years.
- In 2008, the number of unemployed in Manitoba has declined by 4.0%. This is the largest percentage decline among the provinces
- In 2008, Manitoba's youth unemployment rate was 9.0%, fourth lowest among provinces.
- From 1998 to 2008, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate four times.

Average Weekly Earnings

- In the first eleven months of 2008, average weekly earnings were up 2.8%, below the 2.9% increase nationally and fifth highest among provinces.
- In 2007, average weekly earnings were up 4.2%, above the 3.2% increase nationally and third highest among provinces. This was the strongest increase in almost 20 years.

Population

- As of October 1, 2008, Manitoba's population stood at 1,210,547, a one-year increase of 13,124 persons. This 1.1% increase was fifth best among provinces.

Net Migration

- In the year ending October 1, 2008, 8,329 more people moved to Manitoba than left.
- During the same period, international in-migration totaled 10,083, more than the net inter-provincial out-migration of 1,717.

Economic Activity

Manufacturing Sales

- In the first eleven months of 2008, Manitoba manufacturing sales increased 1.8% to $15.2 billion. Canadian sales rose 0.1%
- In the first eleven months of 2008 six Manitoba industries increased led by chemicals (39.1%), machinery (27.9%), fabricated metals (13.8%) and printing (11.1%).
- In 2008, the chemical industry has experienced growth throughout the year with particularly strong growth since May. The machinery industry declined 3.6% in the first quarter of 2008 but has experienced strong growth for the balance of the year.
- In 2008, the paper and primary metals industries have experienced declines throughout the year reflecting lower commodity prices.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2007	2008ytd
Chemicals	7.3	39.1
Machinery	5.2	27.9
Fabricated Metals	8.0	13.8
Printing	1.9	11.1
Other Durables	14.1	5.5

Farm Cash Receipts

- In the first three quarters of 2008, Manitoba cash receipts rose 12.0% with increased crop receipts offsetting declines in livestock receipts and direct payments.
- Crop receipts were up 31.1% with oilseeds (43.1%) and wheat (40.6%) leading the way.
- Livestock receipts fell 8.3% due to a decline in hog receipts (22.7%)
- In 2007, Manitoba cash receipts increased 17.0% with increased crop receipts offsetting declines in livestock and direct payments.

Note: Changes are calculated relative to the corresponding period in the previous year.

- Crop receipts increased 70.1% across all categories with large increases in oilseeds (102%), grains (86%) and wheat (75%).
- Livestock receipts were down 3.1% due to declines in cattle (9.2%) and hogs (3.0%). Dairy (7.6%) and poultry (5.0%) increased.

Farm Cash Receipts (% Change)	2007	2008ytd
Oilseeds	101.9	43.1
Wheat	75.1	40.6
Hogs	(3.0)	(-22.7)
Cattle	(9.2)	2.2

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts by 2007 only 14.8%. The largest source of receipts was oilseeds (19.9%) followed by hogs (18.6%) and then wheat (14.8%).

Retail Sales

- In the first eleven months of 2008, Manitoba retail sales increased 7.9% above the 4.1% increase in Canada and third highest among provinces.
- In 2008, gasoline sales (26.9%), furniture and appliance sales (13.9%); pharmacies (10.2%); and hardware, garden and building supply stores (9.4%) have led the growth.
- In the first four months of 2008 motor vehicle sales had increased 10.9%; however from May to November sales declined 6.1% and are down 0.5% for the year-to-date.
- From September 2007 until October 2008 the year-over-year growth in the value of gasoline sales exceeded 20% every month.

Investment

- Statistics Canada's Private and Public Investment survey from February 2008 shows that Manitoba's 2007 capital investment increased 16.8%, highest among provinces. Canada's increase was 5.6%.
- The Survey shows that Manitoba's private investment increased 9.5% while public investment increased 37.5%.
- A number of major investment projects were undertaken in 2007, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam and a new airport facility.
- In 2008, capital investment is projected to increase 18.8%, highest among provinces. Private investment is projected to increase 22.4% while public investment is projected to increase 10.6%.
- Private capital investment accounts for approximately three-quarters of capital investment in Manitoba.

Housing Starts

- In 2008, housing starts in Manitoba decreased 3.5% to 5,537 units. Housing starts in Canada declined 7.6%.
- Manitoba single-detached starts declined 4.3% while multiple starts were down 1.8%. Single-detached starts in Canada decreased 21.6% while multiple starts were up 7.7%.
- The 5,537 total housing starts in Manitoba in 2008 is the second-highest level since 1987.
- The 3,690 single housing starts in Manitoba in 2008 is the third-highest level since 1987.
- The 1,199 multiple housing starts in Manitoba in 2008 is the second-highest level since 1987.
- In 2008, Manitoba urban housing starts decreased 1.0% Canada decreased 3.3%. Single-detached increased by 6.8% while multiples were down 11.8%. Urban 2008 starts were the second highest level since 1988.

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2005	6.6	(3.4)
2006	6.3	0.8
2007	14.1	0.4
2008	(7.6)	(3.5)

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In the first eleven months of 2008, the value of building permits in Manitoba increased 9.7%. Non-residential permits are up 2.0% while residential permits increased 13.7%. Canada permits are down 4.3%.
- In 2008 the growth in the value of building permits has been led by increases in commercial permits (29.8%) and residential (13.7%) with residential permits exceeded $1 billion for the first time.

Bankruptcies

- In 2008, business bankruptcies increased 1.0% in Manitoba, and declined 2.0% in Canada. Consumer bankruptcies decreased 0.8% in Manitoba and increased 13.5% in Canada.
- In 2008, Manitoba and Saskatchewan were the only provinces to have a decrease in consumer bankruptcies.

Foreign Merchandise Exports

- In the first eleven months of 2008, Manitoba exports increased 6.4%, while Canadian exports were up 9.0%.
- In the first eleven months of 2008, Manitoba's U.S. exports increased 5.2% while non-U.S. exports were up 9.3%.
- In 2007, Manitoba exports increased 17.8% compared to a 2.1% increase in Canada. Manitoba U.S. exports were up 7.8% in 2007, while Canadian exports to the U.S. decreased 1.0%. Manitoba non-U.S. exports increased 50.4% while increasing 16.0% in Canada.

Foreign Merchandise Exports (% Change)	2007	2008ytd
All Countries	17.8	6.4
U.S.	7.8	5.2
Non-U.S.	50.4	9.3

Electricity Sales

- In 2008, Manitoba electricity sales increased 4.2% with a 4.7% increase in domestic sales and a 3.4% increase in export sales.
- In 2008 Manitoba electricity sales are the second highest on record due in large part to a record level of domestic sales.
- In 2008 Manitoba electricity export sales are the third highest on record as a result of a near record level of Canadian exports.

Manitoba Finance

Economic and Fiscal Analysis Branch, Federal-Provincial Relations and Research Division
(204) 945-3757

Director: Jim Hrichishen
Jim.Hrichishen@gov.mb.ca

Manager: Narendra Budhia
Narendra.Budhia@gov.mb.ca

Analyst: Jim Gibbs
Jim.Gibbs@gov.mb.ca

Analyst: Stephen Verhaeghe
Stephen.Verhaeghe@gov.mb.ca

Please click on **economic statistics** to view the data underlying this report.

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — February 10, 2009

	2003	2004	2005	2006	2007	2008ytd	2009ytd	
			($ Millions)					
Gross Domestic Product								
Nominal	37,352	39,590	41,320	44,710	48,298	51,076		f (annual)
Real (2002=100)	36,804	37,691	38,679	39,954	41,271	42,319		f (annual)
Investment								
Total	6,163	6,699	6,836	7,837	9,152	10,872		i (annual)
Private	4,721	5,082	5,091	5,811	6,365	7,791		i (annual)
Public	1,442	1,617	1,745	2,027	2,787	3,082		i (annual)
Non-residential	4,906	5,181	5,201	6,042	7,157	8,663		i (annual)
Housing	1,257	1,518	1,635	1,796	1,996	2,209		i (annual)
Sectors								
Farm Cash Receipts	3,606	3,876	3,804	3,687	4,314	3,617		(Sept)
Crops	1,700	1,805	1,298	1,279	2,176	2,129		(Sept)
Livestock	1,598	1,642	1,808	1,781	1,726	1,204		(Sept)
Direct Payments	308	430	699	626	413	283		(Sept)
Manufacturing	12,682	13,262	13,702	14,854	16,111	15,169		(Nov)
Mineral Production	1,050	1,406	1,576	2,619	3,078			
Electric Power Sales	1,282	1,435	1,797	1,697	1,667	1,737		(Dec)
Export Sales	380	488	818	702	613	634		(Dec)
Housing Starts All Areas (Units)	4,206	4,440	4,731	5,028	5,738	5,537		(Dec)
Retail Trade	10,953	11,692	12,381	12,870	14,008	13,623		(Nov)
Foreign Merchandise Exports								
Total	9,194	9,297	9,213	10,185	11,996	11,820		(Nov)
US	6,986	6,859	7,005	7,801	8,411	8,199		(Nov)
Labour Market								
Labour Force (000s)	600.3	608.9	609.4	613.5	623.9	633.0	636.5	(Jan)
Employment (000s)	570.3	576.6	580.3	587.0	596.5	606.7	607.2	(Jan)
Participation Rate (%)	68.7	69.1	68.6	68.8	69.4	69.6	69.5	(Jan)
Unemployment Rate (%)	5.0	5.3	4.8	4.3	4.4	4.2	4.6	(Jan)
Youth Unemployment Rate (%)	9.5	10.9	9.7	8.8	9.0	9.0	7.7	(Jan)
Consumer Price Index								
(2002=100)	101.8	103.8	106.6	108.7	110.9	113.6		(Dec)
Population								
July 1st estimates (in thousands)	1,163.8	1,173.6	1,178.3	1,184.0	1,193.5	1,210.5		(Oct)

(ytd) - year to date

(f) - Data for 2008 are the Manitoba Bureau of Statistics projection.

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

Table 2: Economic Indicators — February 10, 2009

	2003	2004	2005	2006	2007	2008ytd	2009ytd		
		(% Change)							
Gross Domestic Product									
Nominal	2.3	6.0	4.4	8.2	8.0	5.8		f	(annual)
Real (2002=100)	0.8	2.4	2.6	3.3	3.3	2.5		f	(annual)
Investment									
Total	2.5	8.7	2.0	14.6	16.8	18.8		i	(annual)
Private	1.5	7.7	0.2	14.1	9.5	22.4		i	(annual)
Public	5.8	12.1	7.9	16.1	37.5	10.6		i	(annual)
Non-residential	0.6	5.6	0.4	16.2	18.5	21.1		i	(annual)
Housing	10.5	20.8	7.8	9.8	11.2	10.7		i	(annual)
Sectors									
Farm Cash Receipts	(6.3)	7.5	(1.9)	(3.1)	17.0	12.0			(Sept)
Crops	(11.1)	6.1	(28.1)	(1.4)	70.1	31.1			(Sept)
Livestock	(6.9)	2.7	10.1	(1.5)	(3.1)	(8.3)			(Sept)
Direct Payments	40.7	39.6	62.4	(10.4)	(34.1)	(3.1)			(Sept)
Manufacturing	7.3	4.6	3.3	8.4	8.5	1.8			(Nov)
Mineral Production	4.5	34.0	12.1	66.1	17.5				
Electric Power Sales	(5.8)	11.9	25.2	(5.5)	(1.8)	4.2			(Dec)
Export Sales	(19.4)	28.3	67.5	(14.2)	(14.1)	3.4			(Dec)
Housing Starts All Areas	16.3	5.6	6.6	6.3	14.1	(3.5)			(Dec)
Retail Trade	3.6	6.7	5.9	3.9	8.8	7.9			(Nov)
Foreign Merchandise Exports									
Total	(2.2)	1.1	(0.9)	10.6	17.8	6.4			(Nov)
USA	1.2	(1.8)	2.1	11.4	7.8	5.2			(Nov)
Labour Market									
Labour Force	0.4	1.4	0.1	0.7	1.7	1.4	1.6		(Jan)
Employment	0.5	1.1	0.6	1.2	1.6	1.7	0.8		(Jan)
Consumer Price Index									
(2002=100)	1.8	2.0	2.7	2.0	2.0	2.2			(Dec)
Population									
July 1st estimates (in thousands)	0.6	0.8	0.4	0.5	0.8	1.1			(Oct)

(ytd) - year to date

(f) - Data for 2008 are the Manitoba Bureau of Statistics projection.

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